

October 3, 2002

Opening Statement by Congressman Paul E. Gillmor  
House Financial Services Committee  
Full Committee Hearing  
“Reforming Real Estate Settlement Procedure: Review of HUD’s proposed RESPA Rule”

I would like to thank the Chairman for scheduling this important hearing and allowing Members of the committee to ask several necessary questions regarding the current language of the HUD proposed rule. I am very appreciative of Secretary Martinez’ willingness to be with us this morning and further inform us on this initiative.

It is clear, that 28 years after its enactment regulatory changes are necessary to simplify and improve the process of obtaining mortgages and reduce settlement costs for all consumers. However, the ability of mortgage brokers and lenders alike to do business should not be unduly impaired through this process nor should one player in the industry benefit while the other suffers.

I applaud HUD’s commitment to accomplishing the Administration’s homeownership goals and agree that many Americans are not as informed as they should be regarding the home-buying process. Increased disclosure is clearly significant in improving this situation and I look forward to hearing the Secretary’s explanation of such provisions included in this proposed rule.

However, I am interested to hear a further explanation, this morning, of the reasoning behind the Enhanced Good Faith Estimate and Guaranteed Mortgage Package provisions and the Secretary’s thoughts on what negative impacts they may have on competition within this industry.

Again, thank you Mr. Chairman for calling this hearing and I look forward to an informative session.